ited partnerships. Typically, such partnerships have a general partner who is responsible for the development and operation of the project and who is financially liable in the event of cash shortfalls or foreclosure. The project's equity needs (i.e., capital in excess of the mortgage) are funded primarily through limited partners who are investors without management input but at risk to the extent of their investment (subject to certain exceptions upon foreclosures). HUD-sponsored rental programs have certain important distinctions vis-a-vis the normal garden apartment alive and well in the San Fernando Valley:

- The renter's income may not exceed 80 percent of the area median income;
- Rent increases are subject to review and control by HUD;
- Cash throw-off, if any, is severely limited (a maximum 6 percent on equity, but in practice, less than half that amount); and
- Long-term 20-to-40-year "lock-ins" which, through recorded deed, provide for continuing affordability to low income families.

EXAMPLE 1

Section 8 Units Completed* During Fiscal Years 1975-1985

Year Completed	No. of Units
1975	178
1976	5,628
1977	24,658
1978	77,441
1979	116,679
1980	174,425
1981	150,891
1982	168,282
1983	175,398
1984	157,166
1985	56,175
	1,106,921

*Source: United States General Accounting Office Report 6/16/86 to Subcommittee on Employment and Housing, U.S. House of Representatives

John K. Stewart is president of the John Stewart Company of Sausalito, California, a firm specializing in project acquisition rehabilitation, syndication, management, consulting, marketing and development. Mr. Stewart was formerly an officer in a TRW-owned subsidiary corporation which developed public and HUD-assisted and insured housing.

"One of the bill's cornerstones is the rapid elimination of the passback of tax losses on real estate limited partnerships."

With virtually no cash flow and long-term restrictions on resale in the open market, why would any prudent businessman subject himself or herself to such a thin risk/reward ratio? In every single one of these government-promulgated tax-driven programs, losses were passed on to the limited partner investors in lieu of cash. This was the primary economic incentive. It also had the effect of keeping rents down because investor reward was a matter of tax reduction on April 15 as opposed to cash from project operations.

This arrangement was no unspoken Faustian pact. It was a matter of national policy. In fact, the Internal Revenue Service itself produced a ruling (#79-300) which clearly acknowledges that tax losses from Section 236 rental projects were intended to encourage private investment in low income housing. Further, and most importantly, the ruling, so as not to frustrate congressional intent, held that this kind of housing need not meet the same economic substance test required of other real estate. For purposes of allowable tax losses, the administration is now proposing to wipe all of that out, not only future developments (that is fair enough in the sense that it is at least prospective), but egregiously also for existing partnerships already in place.

Is this an isolated incident?

More rule changes

About 1973, HUD initiated a new program entitled "rent supplement," which provided a forty-year project-based subsidy for tenants residing in a given housing complex. The resident made a "tenant contribution" equal to approximately 25 percent of gross adjusted income. HUD made up the difference between that figure and the actual market rent. The owner entered into a convenant to maintain the property as affordable to low and moderate income families, for which the project was guaranteed a forty-year subsidy commitment. However, in 1983, the program was effectively canceled by reason of a freeze on all rent supplement funding. Owners were offered what amounted to a Hobson's choice: They could either accept a defunct program with fixed funding which made no provision for inflation,

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or accept a new similar program (Section 8) which was, however, shortened from 40 to 50 years.

There is an interesting, but troubling parallel to the current tax bill as it affects low-income housing. We again see the federal government reneging on its commitment after owners/sponsors had entered into contract to build and operate housing for which they had full liability. The question of what happens to the financial viability, and more importantly, the occupants of a project when its subsidy runs out far short of the original 40-year commitment, has not been addressed as of this writing by HUD or Congress.

In the late 1970s, HUD came out with a new program entitled "flexible subsidy," the purpose of which was to provide either grant funds or low interest loans to troubled properties in exchange for capital contributions from owners and a commitment to "maintain the low and moderate income character" of the project for the life of the mortgage. The life of the mortgage was typically 40 years and was coterminous with the rent supplement commitment. As previously noted, HUD reneged on its rent supplement commitment in 1983, cutting the subsidy term from 40 to 15 years. However, they did not see their way clear to remove the long-term restrictions in their rent supplement program. In short, owners are being asked to guarantee long-term affordability without the previously agreed upon subsidy.

Yet another example of a "mid-course correction" emanating from the department comes to mind. The department is now promulgating new regulations which will require owners to put public housing tenants at the head of their current waiting lists on Section 236 developments. From HUD's point of view, this is understandable because they have dramatically and quietly reduced their commitment to public housing. What better solution than to shift the burden to the various 236 sponsors thoughout the country? It is important to note that these owners entered into these programs with the specific written commitment that projects would be targeted to families with incomes above public housing levels.

The writer's complaint is not that there should not be housing for the public housing constituency—the current administration has been woefully inadequate in this regard—but rather that the 236 programs were never intended for this tenancy. The new regulations which will be issued by HUD imminently will effectively place private sector partnershps in the public housing business, again on an after-the-fact basis. Again, that was not the original deal.

This suggests that if HUD were a private corporation, they would have been sued long ago for breach of contract, detrimental reliance and bad faith.

The tax reform bill has a section intended to serve as the new principal incentive for the production of low income housing. The guts of this mini-housing program is not a return to cash throw-off but, paradoxically, rather a forward stream of tax credits for 10 years from project inception. While the intent of this provision of the bill is laudable, it may be unwise to rely upon a promise of a future tax benefit. □

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MORTGAGE MARKET TRENDS

Large increases in employment and industrial production during January and February suggest that real GNP growth is strengthening considerably in the first quarter of 1987 relative to its anemic performance in the fourth quarter of last year. At the time of this writing, a first quarter growth rate of 3 percent, or higher, appears likely. The primary stimulus to GNP growth during the first quarter appears to be a pick-up of business investment in inventories. Growth is likely to slacken somewhat during the second quarter as the rapid pace of inventory investment subsides. During the four quarters of 1987, real GNP is expected to increase about 2 3/4 percent, compared to 2.1 percent in 1986. Improvement in real net exports is expected to be the driving force behind this reasonably optimistic economic forecast.

Although first quarter GNP statistics will not become available until late April, it is a reasonable guess that the principal contributor to growth in the first three months will be a sharp rise in non-farm inventory investment. The increase in manufacturers' inventories in January is consistent with this notion. Inventories in the non-farm sector declined sharply in the fourth quarter, prompting increases in production to replenish depleted stocks. These increases in production have led to gains in manufacturing employment and a lengthening of the average work week in the industrial sector. As a result, aggregate hours worked in manufacturing rose at an annual rate of 7 percent during the first two months of the year. Coupled with the gains in the service industry, total employment at non-farm establishments rose by an average of 328 thousand per month in January and February.

The stimulus to growth from rising inventory investment early this year will be replaced by growth in other components of GNP as the year progresses, most likely real net exports. This expected improvement stems in large measure from the effect the dollar's decline in foreign exchange markets has had on our competitive position in world trade. However, it should be noted that this improvement is in real or physical volume terms. Monthly statistics on the merchandise trade balance, which are measured in current dollars, are likely to show little if any improvement because import prices are likely to increase significantly faster than export prices.

The dependence on an improvement in real net exports as a source of growth reflects the fact that demand in other major sectors of the economy is expected to be comparatively weak this year. One reason for this anticipated softness is tax reform, which increased spending by businesses and consumers late last year, but is expected to have a negative impact on economic growth early in 1987. Recent statistics appear to validate this expectation. New orders for non-defense capital goods fell sharply in January. Retail sales declined 7 1/2 percent in January, due to a steep drop in auto sales. Retail sales recovered somewhat in February, but the average level for January and February was below the average for the fourth quarter of 1986. For the year, consumer spending should still increase but at a much slower pace than in the past few years.

Business fixed investment is expected to rise very modestly in 1987. The latest Commerce Department survey of businesses spending plans confirms this expectation. According to this report, real capital spending is estimated to increase just 0.2 percent in 1987. Non-residential building activity is likely to be particularly weak. In real terms, non-residential building construction declined for the fifth consecutive month in January, this time by 4 percent. Given the high level of vacancy rates, and the reduction of tax incentives for commercial construction, further declines in non-residential building activity seem likely.

In the residential area, housing starts were essentially unchanged in January, remaining at the relatively high 1.8 million unit pace established in December. At an annual rate, starts of one- to four-unit residences totalled 1.25 million units, while multifamily starts equalled 476,000. Sustained by low mortgage rates, single-family starts should remain near their present levels for the rest of 1987. Starts of multifamily units however, are expected to fall to about 420,000 units as the year progresses. As with commercial construction, the drop in multiunit starts is due to high vacancy rates and the impact of tax reform.

The outlook for inflation in 1987 is less favorable than it was last year. One reason is that last year's declines in oil prices are giving way to modest increases this year. In addition, the drop in the value of the dollar is beginning to increase import prices, which in turn has allowed domestic manufacturers to raise prices as well. These price increases can already be seen at both the consumer and producer levels. In January, the consumer price index and the producer price index registered relatively large increases of 0.7 percent and 0.6 percent, respectively.

A mitigating factor in the inflation picture in 1987 is expected to come from continued moderate increases in wage rates. Wage rate increases decelerated in 1986, and are not likely to turn up significantly in an environment of moderate economic growth in 1987. On the whole, although monthly price changes will be somewhat volatile, consumer and producer price increases significantly in excess of 4 percent seem unlikely this year.

On balance, given the moderate rate of growth that is anticipated and the projected rise in inflation, both short-term and long-term interest rates are expected to fluctuate within a fairly narrow range, remaining near their current levels for the near future. Presently, rates on 3-month Treasury bills are averaging about 5 1/2 percent, while yields on 30-year Treasury bonds are slightly over 7 1/2 percent. Rates on conventional fixed-rate mortgages are hovering around the 9 percent range.

Robert Rosenblatt
March 13, 1987

HOUSING ACTIVITY

RESIDENTIAL STRUCTURES, BY UNIT TYPE

(Units in thousands)

YEAR AND MONTH	HOUSING STARTS						PERMITS 17,000 ISSUING PLACES					
	Actual			Seasonally Adjusted Annual Rates			Actual			Seasonally Adjusted Annual Rates		
	Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units
1986												
AUG	164	117	47	1,800	1,268	532	144	100	44	1,673	1,147	526
SEP	154	108	46	1,689	1,185	504	152	103	49	1,603	1,144	459
OCT	155	109	46	1,657	1,199	458	146	103	43	1,565	1,109	456
NOV	116	83	33	1,637	1,200	437	109	72	37	1,613	1,083	530
DEC	114	80	34	1,808	1,334	474	132	82	50	1,910	1,282	628
1987												
JAN$_P$	105	75	30	1,806	1,330	476	98	67	31	1,689	1,184	505
1986 TOTAL	1,806	1,263	543				1,762	1,186	576			
1985 TOTAL	1,742	1,166	576				1,733	1,077	657			
1 MONTH												
1987	105	75	30				98	67	31			
1986	116	79	37				119	74	45			
1985	105	66	39				104	64	40			
1984	109	75	34				114	69	45			

RESIDENTIAL STRUCTURES BY REGION

(Units in thousands)

YEAR AND MONTH	STARTS								PERMITS 17,000 ISSUING PLACES							
	Actual				Seasonally Adjusted Annual Rates				Actual				Seasonally Adjusted Annual Rates			
	North East	Mid-West	South	West	North East	Mid-West	South	West	North East	Mid-West	South	West	North East	Mid-West	South	West
1986																
AUG	34	30	60	40	323	301	713	463	25	28	52	39	272	289	653	459
SEP	29	27	61	37	288	271	704	426	30	28	53	41	297	258	597	451
OCT	27	27	60	40	267	247	680	463	27	27	52	40	260	249	598	458
NOV	22	20	43	31	273	275	608	481	19	21	41	29	260	287	605	461
DEC	19	19	39	36	307	397	593	489	21	19	43	49	306	318	574	712
1987																
JAN$_P$	15	15	44	31	330	404	583	489	14	13	41	29	307	371	569	442
1986 TOTAL	294	296	733	484					287	292	679	504				
1985 TOTAL	252	240	782	468					260	237	753	484				
1 MONTH																
1987	15	15	44	31					14	13	41	29				
1986	14	10	62	29					14	12	58	34				
1985	10	8	56	32					13	8	53	31				
1984	7	9	61	32					8	9	64	33				

HOUSING ACTIVITY (Cont'd.)

YEAR AND MONTH	HOUSING SALES (Units in thousands)				VALUE OF NEW CONSTRUCTION PUT IN PLACE (Dollars in billions)				CONSTRUCTION STATUS (Units in thousands)					
	EXISTING HOUSES[1]	NEW HOMES			Seasonally Adjusted Annual Rate				Seasonally Adjusted Annual Rate Under Construction			Completions		
		Sold	Available For Sale	Months Supply at Current Rate	Total	1 Unit	2+ Units	Non-res.	Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units
1986														
AUG	341	52	354	7.0	232.2	105.4	32.4	94.4	1,162	680	482	159	109	50
SEP	317	60	357	5.9	231.7	106.6	31.8	93.3	1,154	678	476	157	112	45
OCT	326	54	362	6.3	231.6	107.0	32.7	91.9	1,143	675	468	167	117	50
NOV	266	48	358	6.3	230.2	107.1	33.0	90.1	1,125	667	458	148	106	41
DEC	268	49	366	5.9	226.1	107.5	30.2	88.4	1,109	662	447	175	120	55
1987														
JAN$_p$	**215**	**53**	**360**	**6.3**	**225.5**	**108.1**	**32.7**	**84.7**	**1,098**	**664**	**434**	**132**	**88**	**44**
1986 TOTAL	3,565	749										1,756	1,206	550
1985 TOTAL	3,214	688										1,704	1,170	534
1 MONTH														
1987	215	53										132	88	44
1986	213	55										123	82	41
1985	190	48										111	76	35
1984	178	52										112	76	36

LENDER ACTIVITY

LONG-TERM MORTGAGE LOANS CLOSED

By Type of Institution and By Unit Type

(Dollars in millions)

YEAR AND MONTH	TOTAL					1-4 UNITS				
	Total	Mtg. Bankers[9]	S&Ls	Banks[2]	Life Cos.	Total	Mtg. Bankers[9]	S&Ls	Banks[2]	Life Cos.
1986										
MAR	34,748	8,906	13,190	10,211	2,441	25,767	8,134	10,348	6,944	341
APR	43,754	10,037	15,811	15,490	2,416	31,838	9,443	12,705	9,375	315
MAY	50,363	12,534	18,630	16,485	2,714	38,365	11,821	15,793	10,497	254
JUN	59,859	14,251	21,960	20,140	3,508	45,093	12,963	18,460	13,465	205
JUL	60,720	16,534	21,687	18,946	3,553	47,350	15,860	18,639	12,360	491
AUG$_p$	**60,316**	**14,901**	**21,848**	**20,803**	**2,764**	**44,713**	**13,383**	**18,034**	**12,854**	**442**
1985 TOTAL	369,343	68,065	145,372	127,873	28,033	241,474	62,658	109,286	68,224	1,306
1984 TOTAL	295,062	50,816	129,482	97,776	16,988	199,228	47,589	96,187	54,626	826
8 MONTHS										
1986	362,309	88,484	133,617	119,527	20,681	268,914	82,098	109,481	75,054	2,281
1985	221,217	42,705	80,760	74,201	14,551	148,963	39,233	68,313	40,821	596
1984	202,126	36,858	90,347	64,461	10,460	140,746	34,515	68,751	36,941	539
1983	179,373	43,386	66,210	60,976	8,801	132,262	41,034	52,816	37,934	478

LENDER ACTIVITY (Cont'd.)

LOANS CLOSED (Cont'd.)

(Dollars in millions)

YEAR AND MONTH	5+ UNITS					NONRESIDENTIAL				
	Total	Mtg. Bankers[9]	S&Ls	Banks[2]	Life Cos.	Total	Mtg. Bankers[9]	S&Ls	Banks[2]	Life Cos.
1986										
FEB	$2,335	$323	$1,099	$541	$372	$6,888	$186	$1,222	$4,024	$1,456
MAR	2,216	300	1,278	447	191	6,765	472	1,564	2,820	1,909
APR	2,478	404	1,305	416	353	9,438	190	1,801	5,699	1,748
MAY	2,578	489	1,363	508	218	9,420	224	1,474	5,480	2,242
JUN	3,615	1,076	1,580	631	328	11,151	212	1,920	6,044	2,975
JUL	3,034	464	1,345	598	627	10,336	210	1,703	5,988	2,435
AUG[p]	3,596	862	1,711	719	304	12,007	656	2,103	7,230	2,018
1985 TOTAL	28,034	2,396	15,604	7,262	2,772	99,835	3,011	20,482	52,387	23,955
1984 TOTAL	20,588	443	13,160	5,519	1,466	75,246	2,784	20,135	37,631	14,696
8 MONTHS										
1986	21,620	4,002	10,881	4,291	2,446	71,775	2,384	13,255	40,182	15,954
1985	15,543	1,502	8,713	4,077	1,251	56,711	1,970	12,734	29,303	12,704
1984	13,634	348	8,611	3,864	811	47,746	1,995	12,985	23,656	9,110
1983	9,729	450	5,209	3,289	781	37,382	1,902	8,185	19,753	7,542

LONG-TERM COMMITMENT ACTIVITY

By Type of Institution

(Dollars in millions)

YEAR AND MONTH	ISSUED DURING MONTH					OUTSTANDING				
	Total	Mtg. Bankers[9]	S&Ls	Banks[2]	Life Cos.	Total	Mtg. Bankers[9]	S&Ls	Banks[2]	Life Cos.
1986										
MAR	$42,995	$14,666	$17,787	$6,118	$4,424	$124,591	$23,110	$50,614	$31,658	$19,209
APR	47,297	12,715	21,823	8,751	4,008	137,439	27,712	53,917	35,037	20,773
MAY	61,486	9,883	23,380	22,858	5,365	160,526	24,409	56,406	56,536	23,175
JUN	49,263	12,655	23,179	10,147	3,282	151,012	32,922	56,520	39,551	22,219
JUL	44,931	10,430	23,101	8,853	2,547	137,634	27,902	53,058	36,389	20,285
AUG[p]	50,156	10,636	20,522	16,176	2,822	166,911	27,555	51,546	67,517	20,293
1985 TOTAL	323,085	59,986	170,763	60,635	31,701					
1984 TOTAL	258,986	44,893	146,184	47,065	20,844					
8 MONTHS										
1986	355,292	86,634	156,612	84,584	27,462					
1985	205,488	36,530	109,718	38,669	20,571					
1984	182,029	31,837	103,333	33,603	13,256					
1983	169,887	49,409	82,784	25,312	12,382					

MORTGAGE INSURANCE

(Units in thousands, Dollars in millions)

YEAR AND MONTH	APPLICATIONS RECEIVED (Units)				LOANS INSURED							
	Total	FHA[3]	VA	Private	Total		FHA(203)		VA		Private	
					Units	Amt.	Units	Amt.	Units	Amt.	Units	Amt.
1986												
AUG	265	128	44	93	191	13,197	95	5,840	37	2,657	59	4,700
SEP	274	141	51	82	191	13,095	82	4,805	48	3,467	61	4,823
OCT	249	128	38	83	162	11,293	75	4,556	28	2,024	59	4,713
NOV	201	101	38	62	191	12,960	112	6,927	32	2,257	47	3,776
DEC	n.a.	n.a.	39	65	n.a.	n.a.	n.a.	n.a.	39	2,768	49	4,014
1987												
JAN[p]	n.a.	n.a.	41	47	n.a.	n.a.	n.a.	n.a.	38	2,718	42	3,561
1986 TOTAL	n.a.	n.a.	452	923	n.a.	n.a.	n.a.	n.a.	345	24,720	586	46,138
1985 TOTAL	2,194	902	251	1,041	1,261	83,305	338	19,784	192	13,046	731	50,475
1 MONTH												
1987	n.a.	n.a.	41	47	n.a.	n.a.	n.a.	n.a.	38	2,718	42	3,561
1986	204	130	23	51	110	7,299	45	2,659	19	1,305	46	3,335
1985	140	56	14	70	93	5,973	20	1,125	11	723	62	4,125
1984	131	36	19	76	109	7,017	14	753	24	1,544	71	4,720

SECONDARY MARKET ACTIVITY

(Dollars in millions)

YEAR AND MONTH	FNMA Portfolio Comm.	FNMA Portfolio Purc.	FNMA Mortgage-Backed Securities Outstanding	FNMA Mortgage-Backed Securities Issued	FHLMC* Comm. to Sell	FHLMC* Comm. to Buy	FHLMC* Mtg. Purc.	FHLMC* Mtg. Sold	GNMA Pass-Through Securities Applications	GNMA Pass-Through Securities Issued
1986										
AUG	3,840	3,800	81,060	7,079	12,722	13,707	10,458	10,127	10,177	6,813
SEP	4,248	4,649	86,359	7,357	10,943	10,658	12,485	13,090	36,333	12,861
OCT	2,375	3,784	89,573	5,535	11,595	9,356	11,566	11,401	9,859	10,221
NOV	1,811	2,549	93,525	5,636	n.a.	n.a.	n.a.	n.a.	13,319	9,612
DEC	1,272	2,336	97,174	5,494	n.a.	n.a.	n.a.	n.a.	10,377	12,123
1987										
JAN	948	1,364	101,887	6,363	n.a.	n.a.	n.a.	n.a.	13,932	10,624
1986 TOTAL	32,987	30,826	—	60,566	n.a.	n.a.	n.a.	n.a.	152,911	98,169
1985 TOTAL	20,225	19,848	—	23,649	44,085	46,762	44,012	44,085	64,360	45,868
1 MONTH										
1987	948	1,364	—	6,363	89,264	90,880	82,306	80,312	13,932	10,624
1986	1,315	1,188	—	3,964	35,615	38,483	34,236	31,671	10,103	5,298
1985	1,300	1,943	—	913	22,669	24,269	15,505	14,158	4,573	2,654
1984	1.772	1,285	—	251	28,064	29,050	19,929	19,117	2,500	2,718

*FHLMC Year-to-date totals are periods Jan.-Oct. 1983-1986.

INTEREST RATES AND YIELDS

YEAR AND MONTH	1- to 4-UNIT MORTGAGES: FHA OPINION SURVEY FHA New[4]	FHA OPINION SURVEY CONVENTIONAL New	FHA OPINION SURVEY CONVENTIONAL Existing	FHLBB SURVEY CONVENTIONAL New	FHLBB SURVEY CONVENTIONAL Existing	FNMA 1 Yr. ARM (1%/Yr.)	FNMA FRM Conv.	APARTMENTS[5]
1986								
SEP	9.90%	9.96%	9.95%	10.17%	10.08%	7.86%	9.588%	12.16%
OCT	9.80	9.89	9.85	10.02	9.97	7.75	9.425	12.09
NOV	9.26	9.47	9.47	9.91	9.84	7.76	9.440	11.54
DEC	9.21	9.33	9.36	9.69	9.65	7.94	8.973	11.09
1987								
JAN	8.79	9.09	9.10	9.51	9.53	8.31	8.815	10.81
FEB	n.a.	n.a.	n.a.	9.25	9.25	8.48	8.660	10.25

YEAR AND MONTH	CURRENT SECONDARY MARKET YIELDS GNMA[6]	FNMA[6]	FHLMC[6]	SELECTED SECURITIES A-Rated[7] Utility	U.S. Government 10-yr.	U.S. Government 26-wk.	Prime Comm. Paper 90-119 Days
1986							
SEP	9.28%	9.25%	9.30%	9.56%	7.45%	5.35%	5.68%
OCT	9.05	9.12	9.16	9.48	7.43	5.26	5.68
NOV	8.78	8.91	8.94	9.31	7.25	5.42	5.76
DEC	8.40	8.48	8.50	9.08	7.11	5.53	6.10
1987							
JAN	8.22	8.31	8.26	8.92	7.08	5.44	5.84
FEB	8.06	8.21	8.17	8.82	7.25	5.59	6.05

YEAR AND MONTH	SPREADS (Basis Points) FHA New Minus A-Utility	GNMA Minus 10-Yr. Govt.	FNMA Minus 10-Yr. Govt.	FHLMC Minus 10-Yr. Govt.
1986				
SEP	34	183	180	185
OCT	49	162	169	173
NOV	18	153	166	169
DEC	29	129	137	139
1987				
JAN	−13	114	123	118
FEB	n.a.	81	96	92

NA—Not available; p—Preliminary

[1] From the National Association of Realtors "Existing Home Sales" series

[2] Mutual Savings Banks and Commercial Banks.

[3] FHA applications received includes the Direct Endorsement Program starting in 1984.

[4] Secondary market gross yields.

[5] Federal Home Loan Mortgage Corp. Existing Construction only.

[6] Securities for 0 to 30 day delivery.

[7] Prior to January 1984 this rate was for Aaa-rated New Issue Utility Bonds.

[8] Year-to-date seasonally adjusted series not calculated.

[9] 1985 data on mortgage bankers obtained from the HUD Survey of Mortgage Lending Activity.